



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1230

developmental disabilities; provider increases

Purpose

Appropriates \$28,300,000 from the state General Fund (state GF) and \$65,007,000 in Medicaid Expenditure Authority in FY 2023 to the Department of Economic Security (DES) to provide reimbursement rate increases for services to individuals with intellectual and developmental disabilities.

Background

The Division of Developmental Disabilities (DDD) within DES provides services to individuals with developmental and intellectual disabilities including cerebral palsy, autism and epilepsy. Services provided by DDD include: 1) attendant care; 2) habilitation; 3) home health aide; 4) home nursing; 5) occupational, physical and speech therapies; 6) respite care; and 7) medical services.

DDD is required to rebase the reimbursement rates for home and community-based services every five years ([DES](#)).

S.B. 1230 appropriates \$30,000,000 from the state GF and \$65,007,000 in Medicaid Expenditure Authority in FY 2023 to DES.

Provisions

1. Appropriates \$28,300,000 from the state GF and \$65,007,000 in Medicaid Expenditure Authority in FY 2023 to DES to provide reimbursement rate increases for home and community-based services to individuals with intellectual and developmental disabilities.
2. Appropriates \$1,700,000 from the state GF in FY 2023 to DES for individuals in early intervention programs.
3. Requires DES to provide reimbursement rate increases for all home and community-based services, including early intervention services, to individuals with intellectual and developmental disabilities in FY 2023 in order for each service to receive an increase, except for nursing and therapy services.
4. Requires at least 80 percent of the provider reimbursement rate increases to be used for wage increases for direct care workers and supervisory staff directly overseeing direct care workers.
5. Directs DES, before implementing provider rate increases, to engage community stakeholders regarding DES's plans to increase rates.

6. Requires DES, by October 1, 2022, to submit a report to the Joint Legislative Budget Committee describing DES's efforts to engage stakeholders and plans to implement provider rate increases for FY 2023.
7. Contains a statement of legislative intent.
8. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Replaces the \$30,000,000 from the state GF in FY 2023 appropriation with \$28,300,000 from the state GF and \$65,007,000 in Medicaid Expenditure Authority.
2. Removes the \$_____ appropriations in FYs 2024 and 2025.
3. Appropriates \$1,700,000 from the state GF in FY 2023 to DES for early intervention programs.
4. Delays the reporting date to October 1, 2022.

Amendments Adopted by Committee of the Whole

1. Removes the requirement that DES use the FY 2020 rate rebase study and the most recent early intervention services rate rebase study when providing reimbursement rate increases.
2. Requires at least 80 percent of the provider reimbursement rate increases to be used for wage increases for direct care workers and supervisory staff directly overseeing direct care workers.
3. Requires DES to provide reimbursement rate increases for all home and community-based services provided to individuals with intellectual and developmental disabilities except for nursing and therapy services.
4. Removes the direction from the legislative intent clause that funding levels should be set so that a direct care worker's compensation reflects the wage assumptions in the FY 2020 rebase study.
5. Makes conforming changes.

Senate Action

APPROP 2/15/22 DPA 9-1-0

Prepared by Senate Research

March 8, 2022

LMM/sr